

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

Case No. 12-cv-15062

v.

Honorable Thomas L. Ludington

JOEL I. WILSON, et al.,

Defendants.

ORDER GRANTING MOTION TO ALLOW CLAIMS AND DISALLOW OTHERS

On September 6, 2018, the Receiver filed a motion to allow certain claims and disallow others. ECF No. 254. The Receiver was directed to submit supplemental briefing to clarify his intentions with respect to the disposition of receivership assets. He clarified that his intention is to make an interim distribution equal to 10% of the *allowable claims*, not 10% of the *assets* of the receivership estate. *See* ECF No. 259. He filed his clarification as a miscellaneous motion (ECF No. 259).

A hearing was scheduled for December 5, 2018, and the Receiver was directed to serve the motion and notice of the hearing on interested parties. The courts were ultimately closed on December 5 to honor the late President George H. W. Bush. The hearing was rescheduled for January 28, 2019. That hearing was also cancelled, as the Court was closed due to extreme weather. The hearing was rescheduled for January 31, 2019 and was held on that day.

The Receiver seeks to disallow claims of any officer, director or employee/agent who participated in the fraud committed upon the innocent investors in this case including Joel Wilson (no claim filed), Mary Faher (claim >\$9,441.50- commissions and \$211,400.00), and Shawn Dicken (no claim filed). The motion will be granted as unopposed with respect to those

claimants and their claims will be disallowed, as they did not file an objection or appear at the hearing.

The Receiver originally sought to either disallow a distribution in its entirety or to equitably subordinate a distribution to the following relatives and/or friends of Joel Wilson, including, but not limited to Madlon Bosquet, (the mother of Joel Wilson, with a claim of \$58,490.56), Philip Bosquet, (the step-father of Joel Wilson, with a claim of \$239,479.00), Tony Butterfield, (the sister of Joel Wilson, with a claim of \$7,008.00), and Jamie Wilson (relationship unknown, with a claim of \$3,750.00 in wages and \$700.00 as an investor). On November 28, 2018, Phillip and Madlon Bosquet, with the assistance of their attorney, filed a response to the Receiver's motion objecting to the proposal that their claims be subordinated to the other investors. ECF No. 266. They argued that they were unaware of Joel Wilson's illegal activities, and that they are no different than Joel Wilson's other unwitting investors. The receiver modified his proposal with respect to the Bosquets, seeking instead to offset a previous distribution they had received. The Bosquets appeared at the hearing as did their attorney, Michael Rock. Ms. Butterfield and Ms. Wilson also appeared.

The receiver has now withdrawn his request to subordinate or offset the claims of the Bosquets. The receiver has also withdrawn his request to subordinate or disallow the claims of Ms. Butterfield and Ms. Wilson. Madlon Bosquet, Phillip Bosquet, Tony Butterfield, and Jamie Wilson will receive their distribution at the same level of priority as the rest of the investors.

The Receiver also seeks to subordinate payment to any director of any of the defendant entities to the extent of the full amount of compensation received by such director for his or her services as a director of such entity including Melissa Everett, (wife of T. James Everett) and T. James Everett. Melissa Everett filed a claim in the amount of \$51,148.00 and T. James Everett

filed a claim in the amount of \$19,108.00. The Receiver's request will be granted as unopposed, as neither Mr. nor Mrs. Everett filed an objection or appeared at the hearing.

Receiver also seeks to allow late claims of Michael K. Lee, and Ruth B. Lee in an amount of \$56,739.90, and \$119,127.09, due to the fact that Mr. Lee and Mrs. Lee are elderly. The Receiver also has proposed an amendment to the claim of Carl. A. Lengerman to \$207,797.91. No interested party has objected to the proposed disposition of these claims, and they will be granted.

The Receiver also seeks to disallow claims of certain individuals due to their failure to submit the required documentation initially or upon follow up request: Calvin and Susan Bennett, Shirley Broihier, Larry Sanders, Shivonny Williams and Leo Wirtz and Joseph P. Tallerieu, Sr. be disallowed. The request will be granted as unopposed.

Receiver seeks an entry of an order denying the claims filed by the State of Michigan, Department of Treasury in the amounts of \$1,000,000.00 and \$4,704.59 against the corporate and limited liability entity defendants in this matter and denying a distribution to the claimant of funds held by the Receiver. The basis for the request is the claimant has indicated, through its authorized representative, that it does not have a claim against the corporate or limited liability companies that are defendants in this matter and only maintains claims against Joel Wilson. The request will be granted as unopposed. Finally, the Receiver seeks to disallow claims by the IRS as they have failed to file a claim thus far. The request will be granted.

Accordingly, it is **ORDERED** that the Receiver's motion, ECF No. 254 is **GRANTED** as set forth above.

It is further **ORDERED** that the miscellaneous motion, ECF No. 259, is **DENIED** as moot.

It is further **ORDERED** as follows:

- The following claims are **DISALLOWED** as set forth in the Receiver's motion: Joel Wilson, Mary Faher, and Shawn Dicken;
- The following claims are **SUBORDINATED** as set forth in the Receiver's motion: distributions to directors of the defendant entities and their spouses, including Melissa J. Everett and T. James Everett until all innocent claimants have been paid in full or in the alternative (at the receiver's election) to allow a distribution to T. James Everett and/or Melissa J. Everett of fifty percent (50%) of what each would be entitled to receive pursuant to the Equitable Distribution Order in this case;
- The following late or amended claims are **ALLOWED** as set forth in the Receiver's motion: the claim of Michael K. Lee in the amount of \$56,739.90, the claim of Ruth B. Lee in the amount of \$119,127.09 and the claim of Carl Lengerman in the amount of \$207,797.91;
- The following claims are **DISALLOWED**: the claims filed by the State of Michigan, Department of Treasury in the amounts of \$1,000,000.00 and \$4,704.59 with respect to the corporate, limited liability and limited partnership defendants in this matter and that the State of Michigan, Department of Treasury is denied a distribution from the proceeds held by the Receiver; the claims filed by Calvin and Susan Bennett, Shirley Broihier, Larry Sanders, Shivonny Williams and Leo Wirtz. And Joseph P. Talleieu, Sr., are disallowed and such claimants are

denied a distribution in this matter; the IRS is denied a claim in this matter and distribution in this matter.

s/Thomas L. Ludington
THOMAS L. LUDINGTON
United States District Judge

Dated: February 1, 2019